

City of Alexandria Strategic Planning Session

Goal 1: Land Use and Economic Development Meeting #2 - Panel Discussion

**November 4, 2009: 7:00 – 9:00 PM
City Hall, Second Floor, Room 2000**

Meeting Notes

Q- What are the existing economic realities to consider for next 3-5 years? What is unique and distinct about Alexandria that we can build on during the Strategic Planning process?

Panel discussion:

Joe Egerton, Business Owner:

- Strength of Internet – E-commerce is a \$130 billion business; missing sales tax in city. Cannot overlook Internet—highest sellers: clothing and computers.
- Future of Northern Virginia – An article in *Northern Virginia* magazine discussed the future of Northern Virginia being dependent on the ability to attract Gen Y. Generation Y needs to be attracted to Alexandria. They think Alexandria is old because they associate all of Alexandria with Old Town. They desire fast Internet access, shops, apartments, and walkable neighborhoods with amenities they can walk to.
- We do not have a parking problem in Old Town. Parking is available in the evening on King Street and sides streets. People don't know they can park on cross streets. The City should encourage valet parking.

Vice Mayor Donley:

- Old Town: perception that it is old: competition is newer Shirlington, Ballston, fun places with activity on evenings and weekend. Should we change character of Old Town? Do we need to look at rebranding? Get away from "Old".

Joe Egerton, Business Owner:

- Enhance the "old" with public art on the street—historic feature, elephants, donkeys, statues, etc.
- There is night life in [Old Town] Alexandria but it is quiet. The venues are upstairs. Shirlington does not have a need to advertise. People know that there are theaters, restaurants. We have theaters, but are quiet about marketing.
- Business is picking up. A customer from Arkansas spent a lot of money on merchandise because she cannot get it elsewhere. There is a repeat customer from Boston.

- Alexandria has uniqueness in this town and it is leaving. He has been approached by National Harbor to relocated business there. J Brown is relocating from here to National Harbor. He was offered free rent for a year at National Harbor.
- Need desirable businesses in the City beyond Old Town. There are 58 chains in Old Town Alexandria. There are some chains that would be good for the City. Give them tax relief to attract them.

Stephanie Brown, ACVA:

- Our competitive edge old is Old Town's charm with a contemporary flair. Efforts should be focused on enhancing amenities of the contemporary aspect. Target hours of operation for businesses and parking. Other places cannot compete with our charm

Councilmember Smedberg:

- Beyond Old Town, Alexandria does not have its own unique space (like Shirlington).

Mary Lyman, Planning Commissioner:

- We need to get the Waterfront redevelopment right. That is a unique space. Arlington and Fairfax do not have waterfronts.

Joe Egerton, Business Owner:

- Perfect example is National Harbor. It has brought millions of people here who would not have ever come here. Those people come back.

Nancy Belmont, Local Creative Business Owner:

- Old doesn't equal dead. Barcelona, Spain is an example – art and architecture; celebrate old and new unique architecture.
- Brand is not just external. It must translate internally. The internal policies and processes must align with that brand. The City must figure out what makes us unique and align our procedures and policies and live the brand. Need draws and clusters to highlight.

Mary Lyman, Planning Commissioner:

- Critical time to do it now: Landmark Plan, Braddock Metro Plan; millions of sf ready to go—now we need to get to fine details and how we do that development is important.

Stephanie Brown, ACVA:

- The development needs to be appealing.

Nancy Belmont, Local Creative Business Owner:

- Appealing to whom? We need to figure out who we want to target.
- Getting there will take courage. It is the role of elected officials to make tough choices and see vision. We elect you to make the tough choices.

Bill Hard, Developer:

- Reality check: Commercial property owners and managers are failing to lease buildings now. It will take several years before development is viable; probably 3-5 years before a groundbreaking will happen. This is a function of a very soft market, capital market for vertical development. The only opportunity now is federal building development.
- Bethesda was declining 25 years ago. Public money was spent, Metro was installed, and they put a plan in place with true mixed use. Today it is totally different. He lives in Maryland and goes to dinner in Bethesda. He isn't as attracted to visiting Alexandria for dinner and it is not because of the distance. It is because there isn't anything extra in Alexandria. On a drive from Maryland to Alexandria there are good restaurants on way. Why would anyone drive past all of those restaurants to visit Alexandria? Alexandria needs to create something extra. A good waterfront would be a draw.

Bob Wulff, Developer:

- Redevelopment needs public/private partnerships. City assistance can make it happen faster. This not popular (on the part of localities) but the waterfront won't redevelop without this type of partnership.
- The waterfront is an exciting opportunity; 4 major parcels – a lot of it won't redevelop soon; but the city can make it work by land assembly and adding density. Bethesda works because of residential and office density. The King St corridor doesn't have much housing—it is not dense. If you want a place for people to live, work, and play there needs to be high density housing. Gen Ys won't drive 30-45 minutes while passing areas that are better or just as good. The City needs them to live here.

Vice Mayor Donley and Councilmember Smedberg:

If we are 3- 5 years away from tangible development, what can we do to effectively go after federal tenant? Should we seek a federal tenant?

Greg Leisch, Economist:

- It depends on which federal tenant you target.
- Carr project by Table Talk – Concentration on class A space to attract firms
- Huge class B office market here; cost conscious
- Take advantage of PTO jewel to create office space, density and brand.
- Arlington conducted a campaign around NSF a few years ago and it work to get DRPA.

Bill Hard, Developer:

- There are infill opportunities in Alexandria
- Other localities (economic develop personnel) approach developers and offer their services and assistance to encourage development. They reach out to developers to learn how the locality can make the development process

easier for the developer. Such localities are aggressive in pursuing development.

- Does the City has an inventory of developable land?

John McClain, Economist:

- All Virginia localities are in dire straits because of the Virginia tax system where localities must rely heavily on the residential tax base for revenue.

Joe Egerton, Business Owner:

- Real estate is decreasing in value. Commercial property owners are lowering rents by as much as 30% to get tenants. Get developers to purchase buildings on King Street and keep facades and redevelop.
- The City needs to do things that are immediate and do not cost the City money. AEDP, ACVA, City staff should fix ills – sweep streets, wash windows. The City needs to educate property owners to repaint and upkeep buildings.
- Does Alexandria have a BID? All of our competitors have partnered with landscapers to plant and maintain plantings. Establishing a BID should be a priority. If you want to attract people to a street it needs to be attractive and plants do that.

Charlie Banta, ACVA Representative:

- Half of our hotels are on King Street and other half are not. Those not on King Streets rely on a tertiary market for customers. If people cannot get a room in DC or Arlington, they look for hotel accommodations in Alexandria.
- The reason for decreases in hotel patronage is because of a decrease in tourism. There is less competition. We need to find our own subgroups. We need to think of what amenities we can provide to attract visitors to use our hotels. Is it the Waterfront and result of the Beauregard small area plan.
- There is a lot of development interest in West End. We need to do something vibrant in Beauregard to service those people moving there due to BRAC action. Otherwise you'll have a lot of people with no where to go (amenities).
- The Beauregard Plan is an opportunity to do something vibrant and serve the existing neighborhoods. Those neighborhoods have uniqueness.

Nancy Belmont, Local Creative Business Owner:

- City needs to answer question: Who do we want to be as a City? There is a book called Blue Ocean Strategy: How to Create Uncontested Market Space and Make Competition Irrelevant. A Red Ocean is a place with a lot of competition (blood, fighting). A Blue Ocean is a place where people/businesses/organizations are living in their unique niche (ex Silicon Valley is known for its computer chips, Hollywood is known for its moviemaking). The City needs a clear identity to target the types of businesses we want and those that will make us competitive.

Vice Mayor Donley:

- In the 1970s, we worked on attracting Associations to the city. They could be financed through the IDA. The good news is that they are a relatively clean industry. The bad news is that they are focused on their membership and do not play an active role here. They look for cheap office space (not Class A).

Joe Egerton, Business Owner:

- “Green” is good.

Nancy Belmont, Local Creative Business Owner:

- What does Alexandria want to be when it grows up?

Charlotte Hall, Chamber of Commerce Representative:

- We don’t take advantage of our waterfront and everything that we’ve accomplished there has been like pulling teeth. Most of the activity on King Street is within 1.5 blocks of the waterfront. You cannot see the waterfront from the street.
- There isn’t a lot to do at National Harbor. There aren’t many restaurants there and those that are there are small. So National Harbor visitors come here. Most restaurateurs have not experienced an economic downturn because of that tourism base.
- Expand trolley to West End and Del Ray to allow waterfront visitors to travel. People want to come to Alexandria and spend money.
- National Harbor is having more outdoor events (“Movies on the Potomac”). Alexandria has not been known to want to have outdoor activities. Old Town hasn’t wanted outside activities.

Charlie Banta, ACVA Representative:

- The fact that there is not much to do at National Harbor will not last forever.

Poul Hortel, City resident:

- Hard to hear panelists say that the residents are against everything.
- No one is talking about opportunity in the Eisenhower Valley area. Worked on that plan. Tonight’s focus has been on increasing density along King Street. The real asset is historic character.

Charlotte Hall, Chamber of Commerce Representative:

- Historic charm is an asset.

Joe Egerton, Business Owner:

- Europeans identify with Old Town because it reminds them of home.

Vice Mayor Donley:

- West End, Arlandria; lots of new residents there but not a lot of new retail has been developed in last 20 -30 years. Is it realistic, given economy, to focus on retail and density and office in the West End? Is this a strategy given no new development will happen in 3-5 years? Is that more of a long-term strategy?

Bob Wulff, Developer:

- I used to teach urban planning at UCLA and one of worse inventions is public participation in urban planning. NIMBYism stymies development. Landmark is not an asset as it. The chance of it being demolished and redeveloped is less than 2%. A semi-successful mall is not good.

Greg Leisch, Economist:

- Unless the City is willing to condemn Landmark Mall, redevelopment will not happen. The problem is fractured ownership. Two of the three owners are not bankrupt but one is. We are wasting our time focusing on it. It is important to redevelop. Retail capacity is going to other localities because we do not have the shops to support local demand.

Vice Mayor Donley:

- Potomac Yard can change the retail dynamic.

Annabelle Fisher, City resident:

- West End is a large neighborhood. But homeowners will have NIMBYism. Not that I agree with that. General Growth's [Landmark Mall owner in bankruptcy] stock is up.
- Who would want to develop with BRAC coming? People are against BRAC.
- City needs more commercial and retail.
- City needs a clear transportation plan and until we have that no one will develop retail or commercial because people need to travel to and fro.
- Landmark Mall is no longer the focus.
- There are a lot of apartment buildings. Younger people will rent and not buy.
- Good planning is needed and not disjointed planning.

Councilmember Smedberg:

- As you drive to Alexandria and see the development at our borders, how does that change the dynamic of our planning efforts? Residential v. commercial ratio. Mixed use development.

Nancy Belmont, Local Creative Business Owner:

- It depends on who we want to be.

Faroll Hamer, Planning Director:

- We [participants of Strategic Planning process] need to look at the City's development numbers and discuss that data. There is a perception that Alexandria is behind other localities but that is not the case.

Councilmember Smedberg:

- We need to have a discussion about it. We need residential for vitality but we have too much residential. We need a 50:50 ratio of residential:commercial.

Vice Mayor Donley:

- Commercial adds more value and doesn't demand services.
- 65% of City's revenue comes from real property taxes. Rental residential is considered commercial.
- Mixed-use has residential component. It makes the associated retail work.
- The City needs commercial to balance tax base.

[Request of data on the amount of commercial we have accumulated over last 10 yrs compared to Arlington and other places]

Greg Leisch, Economist:

- When the information is compiled, it is important to look at the net change in our commercial space because we have lost industrial.

Stephanie Brown, ACVA:

- People think that development creates traffic but what is the net effect of not having local development? Local development lessens travel demand.

Vice Mayor Donley:

- Traffic is less on Duke Street after the development of PTO.

Bob Wulff, Developer:

- Arlington County's numbers show that development doubled and traffic did not increase. If TOD is done correctly you don't have increases in traffic congestion.

Bill Hard, Developer:

- Bethesda is the same.

Faroll Hamer, Planning Director:

- Transportation and land use goals need to relate to each other.

Next steps

Vice Mayor Donley:

The meeting notes will be used to create a framework for the next discussion.

Next meeting – Tuesday, November 17, 2009.